



GENERAL CONDITIONS OF PURCHASE

Paul Beier GmbH Werkzeug- und Maschinenbau & Co. KG, 34127 Kassel, GERMANY

These General Terms of Purchase ("Purchase Conditions") shall apply to transactions with a person acting at the time of the conclusion of the contract in a commercial or self-employed context (concept of "entrepreneur/enterprise" pursuant to German law), to companies, legal persons under public law and special assets under public law.

I. General

Our Purchase Conditions shall apply exclusively; we do not accept general terms of business of the Supplier opposing or deviating from our Purchase Conditions unless expressly approved by us. Taking delivery of goods or receiving services from the Supplier (hereinafter: "the Supplies") or making payments for them is not to be construed as approval.

II. Conclusion of contract and subsequent modifications

1. Orders, contracts concluded and calls or any modifications thereof or amendments thereto shall be made in writing to be valid.
2. Oral agreements of any kind – including subsequent modifications of and amendments to our Purchase Conditions – shall require our written confirmation to be valid.
3. The writing requirement is also deemed fulfilled if communications are made by data transfer or fax.
4. Unless otherwise agreed in writing, offers, the making of drafts, models and/or samples by the Supplier shall be free of charge. The Supplier shall provide us with the agreed type and scope of drawings (with detailed measurements) and documents free of charge. Irrespective of the above, any drawings and documents have to be supplied free of charge that are required (i) for performing proper assembly, monitoring and repair work, provision of spares and maintenance and must contain a detailed description of the function of the items supplied and (ii) for obtaining licences or similar permits. We are entitled to use these drawings and documents for the purpose of making spares, changes and similar work by ourselves or a third party.
5. We are entitled to revoke the transaction in the event that the Supplier does not accept our order within a period of 10 days following receipt.
6. Calls placed under an order or call-off schedule become binding if the Supplier does not contradict the call within a period of two working days upon its receipt.

III. Delivery

1. Deviations from our contracts concluded and orders require our prior written consent.
2. Agreed dates and time periods are binding. Delivery dates or delivery periods shall apply as of the receipt in our works. Unless "ex works" (DAP or DDP according to Incoterms 2010) has been agreed, the Supplier shall make the goods available in good time taking into account the time for loading and shipment to be agreed with the carrier.



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3. Express, advance or short deliveries and deliveries outside our business hours (Monday to Thursday, from 7.00 a.m. to 4.00 p.m. and Friday from 7.00 a.m. to 2.30 p.m.) shall require our prior written consent. This does not trigger a claim to early payment. We may return or store at the Supplier's expense any partial, advance or excess deliveries made without our consent. If goods are returned, the Supplier shall effect a new delivery as of the agreed date.
4. We are entitled to instruct the Supplier what route, means of transport and place of delivery it must use. Goods to be delivered must be packaged in an environmentally responsible way or as otherwise instructed by us. Packaging must protect items against damage, soiling and humidity in transit. Styrofoam packing peanuts must not be used. The Supplier shall be responsible for any damage due to insufficient packaging, even if no specific instructions have been made by us. When deliveries are received, individual types must be presented separately or clearly identified by pertaining parts numbers, order or commission numbers and the order number.
5. If the Supplier is also responsible for assembly and unless otherwise agreed, the Supplier shall pay any incidental costs required, e.g. travel costs, provision of tools and allowances.
6. If agreed dates are not adhered to, the statutory provisions shall apply. In the event that the Supplier anticipates that difficulties may arise with respect to manufacture, receipt of own supplies, adherence to delivery dates or other circumstances potentially impeding it from effecting the delivery in a timely manner or in the agreed quality, the Supplier shall notify our department that has placed the order without undue delay.
7. Accepting delayed deliveries or services without reservation does not preclude our right to indemnification due to delayed delivery or services; this shall apply until we have made full payment of the amounts owed for the delivery or services affected.
8. Partial deliveries are permitted only if made with our express consent or if they are reasonably tolerable for us.
9. Quantities, weights and measures shall be as determined by our receiving inspection, unless proven otherwise.
10. On the day of receipt, the Supplier shall make available two sets of detailed delivery documents, indicating the order date, the order number, the delivery number, the article number, the weight and if appropriate the position and model number and the product name. Delivery note and packing list must be included in each shipment.
11. We are entitled to use the software pertaining to the scope of delivery of the product, including documentation, as provided for by statute (Sec. 69(a) et seq. German Copyright Act, *UrhG*).
12. Furthermore, we are entitled to use the software, including documentation, in line with the agreed performance features and in accordance with the scope required for the contractual use of the product. We may make a back-up copy even in the absence of an express agreement.



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IV. Force majeure

1. Force majeure, disruption of operation for which we are not responsible, commotion, governmental measures and other inescapable events release us from our obligation to take acceptance in time for as long as any such event persists. During such events and also during the subsequent two weeks, we shall be entitled, without prejudice to any other rights we may have, to withdraw in whole or in part from the contract if and when these events persist for more than an insignificant period and our demand is significantly reduced due to the use of other sources of supply.
2. The provisions of Article 4.1 above shall also apply in the case of labour disputes.

V. Notification of dispatch and invoice

The data contained in our orders and calls is binding. Invoices must indicate the invoice number and other references and be sent in duplicate to the address mentioned therein; the invoice must not be appended to any delivery.

VI. Pricing and passing of risk

Unless otherwise specifically agreed, all prices are fixed prices and apply free place of destination including any other shipping costs such as packaging, taxes, customs, unless a written agreement expressly provides otherwise. To the extent that the Supplier is also under the obligation to provide assembly work, the tools and equipment (e.g. lifting equipment, containers, et cetera) required shall already be included in the scope of performance. The Supplier shall bear the risk until we have or our local representative has taken receipt of the Products at the destination specified in the order.

VII. Conditions for payment

1. Unless otherwise specifically agreed, invoices will be paid within twenty (20) days, taking into account a three (3) per cent early payment discount or within thirty (30) days, without any deduction, after the due date of the claim, subject to the receipt of the invoice and the goods and/or services. Payment for deliveries and services subject to acceptance shall not fall due before we have declared acceptance in writing and, if the Supplier's scope of performance includes the handing over of documentation and test certificates, these have been handed over in accordance with the contract. The provisions of Sec. 633 (a) German Civil Code, *BGB*, remain unaffected. Payment is made subject to a verification of invoices.
2. The Supplier shall request in writing agreed advance payments, instalments and progress payments and identify them as such. Pre-payment is only effected against provision of a directly enforceable and irrevocable bank guarantee with no time limit, issued by a major bank admitted as tax guarantor, waiving its rights to the benefit of discussion or to contest or set off amounts other than in the case of setting off recognised or non-appealable claims.
3. The Supplier's right to retention or the right to set off amounts shall be excluded, provided they are not based on recognised or non-appealable claims.



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VIII. Claims for defects and right to recourse

1. When we take delivery of goods, we reserve the right to subsequently inspect the consignment as to any defects that may exist, regarding in particular correctness and completeness, to the extent that and as soon as this is usual business practice. Defects will be notified immediately upon detection. In this respect the Supplier waives its right to claim that the notification was made too late.
2. In the event of a quality assurance agreement between us and the Supplier, the provisions of such agreement shall take precedence over the present conditions as far as our defect inspection and defect complaint duties are concerned.
3. The statutory provisions on defects of quality and/or defects in title shall apply unless otherwise agreed hereinafter.
4. In principle, we shall be entitled to choose how defects are remedied. The Supplier may refuse to perform the type of remedy chosen by us if doing so would be subject to disproportionately high costs.
5. Should, following our request, the Supplier fail to start removing the defect without undue delay, we shall be entitled to remove the defect by ourselves or have it removed by a third party at the expense of the Supplier in the case of an emergency, especially in order to combat imminent risks or prevent major damage.
6. In the event of a defective title the Supplier shall also hold us harmless with respect to any existing third-party claims, provided it is responsible for the defect.
7. Other than in the case of malice, claims for defects shall be subject to a limitation period of three (3) years, provided that the item has not been used for a building in accordance with the normal way it is used and has resulted in the defectiveness of the building. The limitation period starts upon delivery of the Supplies (passing of risk).
8. In the event that the Supplier fulfils its duty to provide a remedy by way of replacement delivery, the goods supplied as a replacement shall be subject to a new limitation period that starts upon delivery; this shall not apply if the Supplier expressly and correctly reserved its right to provide the replacement only by way of fair dealings, to avoid disputes or in the interest of the continued business relationship at the time when it provided such remedy.
9. Costs incurred by us due to defective delivery of the Supplies, including costs for transport, travel, work, assembly, disassembly, material or incoming inspection costs exceeding the usual scope shall be borne by the Supplier.

IX. Industrial property rights

1. The Supplier shall ensure that no third-party rights are infringed in connection with its delivery in the territory of the Federal Republic of Germany.
2. Should we incur liability towards a third party on such a basis, the Supplier shall hold us harmless with respect to any such claims. We shall not be entitled to enter into an agreement with such third party, including a settlement agreement, without the Supplier's consent.
3. The Supplier's duty to hold us harmless applies to all necessary expenses incurred by us as a result of or in connection with the claim lodged by the third party.



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4. The limitation period shall be ten (10) years, counted from the date of the conclusion of the contract.

X. Product liability

1. In the event of a claim for damages under production liability against us, the Supplier shall hold us harmless from any such claims, provided and to the extent that the damage was caused by Supplies delivered by the Supplier. If liability is based on tort, this shall only apply if the Supplier is at fault. The Supplier must prove that it is not at fault if the cause of the damage is attributable to the Supplier's sphere of responsibility.
2. Where Article 9.1 applies, the Supplier shall bear all cost and expenses incurred, including legal costs.
3. Furthermore, the statutory provisions shall apply.
4. Prior to a recall that is in whole or in part attributable to a defect in the Supplies delivered by the Supplier, we shall notify the Supplier and give it the opportunity to cooperate and consult on efficient processes, provided that the urgency of the matter would not make it impossible to notify and include the Supplier. The Supplier shall pay all recall costs to the extent that a recall is attributable to a defect in the Supplies delivered by the Supplier.

XI. Cancellation and termination

1. In addition to our statutory cancellation rights, we shall be entitled to cancel or terminate the contract with immediate effect if
 - the Supplier stops making deliveries to its customers;
 - a significant deterioration of the Supplier's assets has occurred or is impending, jeopardising the fulfilment of its delivery obligations towards us;
 - the Supplier fulfils the legal criteria for insolvency or over-indebtedness; or
 - the Supplier suspends making payment.
2. Furthermore, we shall be entitled to cancel or terminate the contract if the Supplier files a petition for the institution of insolvency proceedings over its assets or a similar process to clear its debt.
3. Where the Supplier has provided partial performance, we shall be entitled to cancel the entire contract only if we have no interest in such partial performance.
4. Should we cancel or terminate the contract on the basis of the aforementioned contractual cancellation and/or termination rights, the Supplier shall reimburse us for any damage thus incurred, provided that it is not responsible for the origin of the cancellation and/or termination rights.
5. Statutory rights and claims are not affected by any of the provisions contained in this Article X.

XII. Work on our premises

1. Persons having to work on our premises in fulfilment of the contract shall observe the relevant local works regulations in place. Other than in the case of intentional or grossly negligent dereliction of duty on the part of our legal representatives or



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agents, liability for accidents suffered by these persons on the premises shall be excluded.

2. The Supplier guarantees that the staff it uses are fully protected by social security and employer's liability insurance and that they have the required residence and work permits. Upon request, the Supplier must prove that it has taken out comprehensive general liability and product liability insurance, including extended product liability cover and cover for environmental liability and environmental damage with a blanket limit of indemnity of no less than EUR 3,000,000 with a ceiling of double the base amount per annum for personal damage and damage to property. The blanket limit of indemnity of the environmental damage insurance may be individually reduced to EUR 1,000,000.

XIII. Items provided by us

1. Substances, parts, containers and special packaging provided by us shall at all times remain our property. They must be used in strict compliance with their intended use. Processing of substances and combinations of parts shall be made for us. The parties agree that we acquire co-ownership in the new goods for which our substances and parts have been used, on a pro-rata basis, taking into account the value of the items provided against the value of the new goods, and that the Supplier holds them in trust for us as such.
2. If items provided by us are inseparably combined with other goods owned by others, we will acquire co-ownership in the new item in proportion of the value of the other components to the value of the retained item (purchase price plus VAT) as of the date of combination. In the event that items from the Supplier constitute the main element of the product resulting from the combination or amalgamation, it is understood and agreed that the Supplier transfers the joint ownership in such products to us on a pro-rata basis. The Supplier shall hold co-owned or fully owned items in trust on our behalf.
3. Tools shall remain our property. The Supplier shall, at its own expense, take out insurance cover for these tools at the full replacement value against the risk of damage caused by water, fire and theft. At the same time, the Supplier shall herewith assign to us any claims for indemnification arising from such insurance cover and we herewith accept the assignment. Furthermore, the Supplier shall carry out any necessary maintenance, inspection and repair work and upkeep on our tools in good time and at its own expense. Incidents shall be reported forthwith in writing. Negligent failure to notify us shall not affect potential claims for damages.

XIV. Documents and secrecy

1. Any business or technological information made accessible by us (including, but not limited to features inherent to items, documents or software and other knowledge or know-how) shall, to the extent that and for as long as it is not demonstrably publicly known, be kept secret from third parties and shall be disclosed in the Supplier's own works only to the persons strictly necessary to use the information for the purpose of the delivery and also subject to the same secrecy obligation; the information shall remain our exclusive property. Other than for the



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purpose of deliveries made to us, copying or commercial exploitation of any such information shall require our prior written consent. Upon request, any information emanating from us (including any copies or notes made) and items let on loan shall be returned to us or destroyed in their entirety and without undue delay. We reserve all rights pertaining to any such information (including copyrights, and the right to apply for a patent or utility model, semiconductor protection, etc.). To the extent that they have been granted to us by a third party, this reservation shall also apply with respect to such third party.

2. Products manufactured according to documents made by us or with the help of our confidential information or tools or other rebuilt tools may neither be used by the Supplier itself nor offered or supplied to third parties. The same applies *mutatis mutandis* to print jobs.

XV. Export control and customs

The Supplier shall inform us about any permit requirements applicable to (re-) export of its goods pursuant to German, European, US export and customs provisions and the export and customs provisions of the country of origin of its goods in its business documents. To do so, the Supplier shall provide at least in its offers, order confirmations and invoices the following information relating to the relevant items:

- the export list number according to Annex AL of the German Foreign Trade and Payments Ordinance or equivalent list items of relevant export lists;
- for US goods the ECCN (Export Control Classification Number) pursuant to the US Export Administration Regulations (EAR);
- the trade-policy place of origin of its goods and the components of its goods, including technology and software;
- whether the goods were transported through the US, made or stored in the US or produced with the help of US technology;
- the statistical goods number (HS code) of its goods; and
- a contact person in its company to clarify any questions we may have.

Upon our request, the Supplier shall be obliged to notify us in writing of all others foreign trade data regarding its goods and its component and inform us about any changes of the aforementioned data in writing without undue delay (before any such goods are delivered).

XVI. Compliance

1. The Supplier undertakes to adhere to the relevant statutory regulations regarding its conduct towards staff, protection of the environment and work safety and to work on reducing adverse impacts of its activities on mankind and the environment. To do so, the Supplier shall put into place and continuously improve a management system in accordance with ISO 14001 as it can be reasonably expected. In addition, the Supplier shall observe the principles of the UN Global Compact Initiative. These refer mainly to the protection of the international human rights, the right to collective bargaining, the abolition of forced labour and child labour, the elimination of discrimination in recruitment and employment, the responsibility for the



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environment and the prevention of corruption. Further information on the UN Global Compact Initiative are available at www.unglobalcompact.org.

2. In the event that a Supplier repeatedly and/or despite being warned acts in contravention of the law and cannot prove that the breach has been cured in the best possible way and that reasonable steps have been taken to prevent future breaches, we reserve the right to cancel existing contracts or terminate them without notice.

XVII. Place of performance

The place of performance is the place where the goods have to be delivered to in accordance with the order and/or where the services have to be provided.

XVIII. General provisions

1. Should one of the provisions of these Purchase Conditions or of any additional stipulations agreed upon be or become invalid, the validity of the remaining part of these Purchase Conditions shall not be affected thereby. The contracting parties are obliged to replace the invalid provision by another provision that approximates it as closely as possible in light of the economic benefit pursued.
2. The contractual relationship shall be governed by German law alone, excluding the rules of the conflict of laws and the Vienna Convention (CISG).
3. The venue for any disputes arising directly or indirectly from a contractual relationship based on these Purchase Conditions shall be Kassel. The competent local court shall be the Amtsgericht Kassel (34117 Kassel). We are further entitled to sue the Supplier before the competent court of its registered office or its subsidiary or before a court at the place of performance.